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LANSING

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TO: Participating Schools and Lenders

FROM: Diane Todd Sprague, Director

DATE: August 22, 2006

SUBJECT: Educational Loan Notes

FEATURED FINANCIAL AID PROFESSIONAL

Thirteen is not an unlucky number for Kimberly Cvitkovic. It represents the number of years that Kim has been in the financial aid profession, a field in which she feels very successful. Kim is the Director of Financial Aid at The Robert B. Miller College in Battle Creek, Michigan. She has the distinct honor of being one of the “pioneers” of Miller College, where classes began for the first time in summer 2005. In her role as financial aid director, she has been able to build a new financial aid office from the ground up. This has included developing financial aid policies, establishing office procedures, and obtaining eligibility to participate in Title IV programs. Since Miller College is so new, Kim currently runs the financial aid office alone. However, she has been an effective supervisor in some of her past financial aid positions. She truly developed her leadership and teamwork skills during 20 years of military service, retiring from the Michigan Army National Guard in 2002 as a Sergeant First Class.



Kim cherishes her director position and considers it the fulfillment of a dream. She began her career in higher education in early 1990 when she was a young, unemployed, single mother. She was looking for a job – any job – to support her little girl. Kim was fortunate to be given the opportunity she needed when Donna Ward, former financial aid director at Kellogg Community College (KCC), decided to make her the secretary for the department. Kim says that “although Donna has been retired for several years, I still think of her often and will always be grateful to her for giving me my start in financial aid.”

Kim’s path has led her to a variety of financial aid positions at various institutions in Michigan. She became the Assistant Director of Financial Aid/Student Employment Coordinator at Albion College in 1994. Then in 1997, she accepted the

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position of Assistant Director of Financial Aid for the College of Extended Learning at Central Michigan University where she processed financial aid for students in distance education programs. In 2001, she was ready to advance her career and accepted the position of Associate Director of Financial Aid at Northwood University. Through all of these roles, one thing is clear . . . Kim believes in providing the best customer service possible to students by really listening to their questions and concerns and thoroughly responding to them. "It is so important to communicate with current and prospective students in a timely fashion. If you can help them 'on-the-spot' or at least return their phone calls and e-mail messages promptly, you can't help but make a good, lasting impression." Kim is known to her family, friends, and co-workers for being talkative. Her way with words is an asset in the business of working with students and families. As Kim puts it, "People appreciate it when you can clearly explain financial aid processes to them, especially when it comes to investing in education."

The number thirteen is significant to Kim in another way also. She and her husband, Mitch, have been married for 13 years and have three beautiful daughters and one gorgeous granddaughter. Kim's entire family has been extremely supportive of her career and the numerous moves they have had to endure. Without their understanding and encouragement, as well as that of her parents, Kim says she would not be sitting in the "director's" chair today.

If Kim were able to go back in time, she says she would have chosen an outdoor career, probably in forestry. She loves to go camping with her family and take long walks with her dog. Even though summer is one of the busiest seasons in the financial aid world, it is one of her favorite times of the year.

Kim is very grateful to the many people she has had the pleasure of working with over the years. A couple of these people stand out in her mind as being most distinct. Nancy Vaughn, Michigan Guaranty Agency (MGA) School Services Representative, has been Kim's best friend as well as her colleague since their days together at Northwood University.

"No matter where we are, we both know that we can count on each other for information, advice, and moral support when it comes to both financial aid and family issues that arise." Dr. Paul Ohm, President of Miller College, is a person for whom Kim has the utmost respect. She knew him first as the President of KCC in the early '90s. He was this awesome, untouchable figure to her then. She knows him better now as her leader and mentor. "He has character and class," Kim says, "and I think the world of him."

Kim also appreciates the training and networking opportunities provided by the Michigan Student Financial Aid Association (MSFAA) and MGA. "Just knowing that other financial aid folks are out there and willing to share their expertise is very comforting," she says. She believes that the Information for Financial Aid Professionals (IFAP) Web site, the Federal Student Aid (FSA) Handbook, and the various financial aid listservs provide the best references that can be found.

Kim offers this advice to new financial aid personnel: "Always prioritize your work, putting students at the top of the list, and never hesitate to seek help from other financial aid professionals. They are a fantastic group of people." Kim definitely considers herself part of this group.

ANNOUNCING MGA'S NEW DEFAULT AVERSION SYMPOSIUM

Recently, representatives from the U.S. Department of Education Federal Student Aid Default Prevention group attended the MSFAA Summer Training to kick-off the Michigan Statewide Default Prevention Project with the goal of further engaging Michigan schools in default prevention activities. To assist MSFAA in this endeavor, the Michigan Guaranty Agency (MGA) is pleased to announce the second installment of its Default Aversion Symposium Series entitled, *Methodologies, Research, and Exploration: Getting Help to Those Who Need It Most*, scheduled Tuesday, November 21, 2006, at the Kellogg Center in East Lansing.

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In 2003, MGA formed a Default Aversion Task Force to address the increasing difficulty many Michigan students were facing in the repayment of their federal student loans. The task force, whose membership consisted of financial aid professionals from public, private, and career schools throughout the state, suggested a Default Aversion Symposium Series, which would enable schools to mutually explore the best methods to keep students out of default.

The first installment of the Default Aversion Symposium Series, *Understanding and Treating the Underlying Causes of Default*, was held on March 29, 2005, in Livonia, and was highlighted by two nationally renowned authorities on financial literacy: Laura Levine, Executive Director of the Jump\$tart Coalition, and Carl George, chair of the National CPA Financial Literacy Commission.

This installment will focus on successfully proven methodologies and research techniques that will allow schools to better understand and identify students who may be more likely to default, thereby allowing schools to better allocate resources to those who need them most. As in the previous symposium, breakout sessions will be provided for schools to collaborate on successful default aversion activities at their respective schools. While helping students avoid loan default is a responsibility everyone in the financial aid community shares, giving students the necessary tools to not only complete their postsecondary education but to successfully navigate life can be personally rewarding.

For more information about this installment of the symposia, as well as information on the previous symposium, please visit the "What's New" area of Web site at www.mgaload.com. MGA will provide additional updates regarding registration information, topic and presenter information, and detailed location information in the coming months. If you have any questions, please feel free to contact Justin Draeger, Default Aversion Symposium Coordinator, at draegerj@michigan.gov or extension 31940.

HIGH SCHOOL COUNSELOR VIDEO CONFERENCE

Twenty-two colleges and universities have offered to host the High School Counselor Video Conference on Tuesday, November 14, 2006, from 9:00 a.m.– 12:00 p.m. The video conference will be broadcast from the WKAR public television studio located at Michigan State University in East Lansing. Thanks in advance to the following schools:

Alpena Community College
Baker College – Allen Park
Baker College – Cadillac
Bay de Noc Community College
Central Michigan University
Cleary University
Davenport University – Lettinga Campus
Eastern Michigan University
Grand Valley State University
Kirtland Community College
Lake Superior State University
Macomb Community College
Michigan State University
Montcalm Community College
Muskegon Community College
North Central Michigan College
Northern Michigan University
Northwestern Michigan College
St. Clair County Community College
University of Michigan – Flint
West Shore Community College
Western Michigan University

As it becomes available, updates to this list and other information pertaining to the video conference will be posted on the Student Financial Services Bureau Web site at: michigan.gov/studentaid.gov. Select the tab labeled "Prospective Students" and click on "[High School Counselors](#)." Questions may be directed to Peggy LaFleur via email at lafleurp@michigan.gov or by telephone at extension 38319.

Please Note:



**MGA offices will be closed on
Monday, September 4.**

THE “ED” PIPELINE

Following is a description and link to the most recent ED correspondence for schools and lenders.

Dear Partner**July 2006****GEN-06-14**

This letter announces the Office of Management and Budget’s approval of the Total and Permanent Disability Loan Discharge Application for the Federal Family Education Loan Program (FFELP), Federal Perkins Loan Program, and Federal Direct Loan Program. It also provides guidance on implementation of the new form.

LENDER LIST UPDATES

School personnel continuing to use their paper copy of MGA’s “Participating Lender List” should record the following actions on the list dated May 12, 2006. Please make the appropriate changes in all sections of the list as needed.

To access the most current lender information and eliminate the need for manual updates, use the electronic version of MGA’s “Participating Lender List” available at mgaloan.com. Select “Financial Aid Professionals,” and then “FAA Resources.” If you have any questions regarding these updates, please contact Pat Fromm at extension 36076 or via email at frommp@michigan.gov.

Name Changes

Capital Area School Employees Credit Union, 829243, has changed its name to CASE Credit Union.

See & A Credit Union, 825495, has changed its name to Education Plus Credit Union.

State Employees Credit Union, 802218, has changed its name to NuUnion Credit Union.

Shiawassee Community Credit Union, 828871, has changed its name to SageLink Credit Union.

Joined Referral Program

Monarch Community Bank, 222022, has joined the LaSalle Bank referral program. Their address is c/o Nelnet, Inc., P.O. Box 82596, Lincoln, NE 68501-2596. Telephone: 877-804-3603.

No Longer Participating

The State Savings Bank, 806143, is no longer participating in FFELP with the Michigan Guaranty Agency.

SCHOOL LIST UPDATES

The following changes should be recorded by lenders on MGA’s “Active Michigan School List,” dated July 28, 2006. If you have any questions regarding these updates, please contact Stacy Cardwell at extension 36074 or via email at cardwells@michigan.gov.

Loss of Eligibility

Mr. David’s School of Cosmetology Ltd., Flint, 030251-00

This school is no longer eligible to participate in the FFEL Program. Please remove them from your Active Michigan School List.

Contact Name Changes

Baker College, Jackson, 004673-09

The correct spelling for the contact person is Jennifer Samons. Jennifer’s email address is jenni.samons@baker.edu.

Ross Medical Education Center, Roosevelt Park, 020997-00

Delete Kelly Shepherd. The contact person is Monique Carey. The telephone number, fax number, and email address listed are still correct.



“Q” AND “A”**FINANCIAL AID AND FFELP RESOURCES****What resources are available to financial aid administrators that explain, interpret, or outline Title IV laws?**

There are many resources available for financial aid administrators which explain, interpret, and/or outline Title IV laws. Actual laws, rules, and regulations can be found in the following official published documents:

- The Higher Education Act of 1965 (HEA), otherwise known as Public Law 89-329, 79 STAT 1219, was established to “strengthen the educational resources of [our] colleges and universities and to provide financial assistance for students in postsecondary and higher education.” In short, and what is pertinent to federal financial aid, the HEA outlines the governance and procedures of awarding and disbursing financial aid.
- Volume 34 of the Code of Federal Regulations (34 CFR) contains most of the regulations that govern student financial aid programs which have been authorized by the Higher Education Act. These regulations are published by the U.S. Department of Education (ED) to govern how schools, lenders, servicers, and guarantors administer federal student aid programs.
- Dear Colleague Letters (DCLs) and Dear Partner Letters (DPLs) are letters sent out by ED to schools, lenders, servicers, and guarantors to provide interpretive guidance concerning laws and regulations governing student aid programs.
- Regulatory Waivers are published by the U.S. Secretary of Education to provide relief to borrowers, schools, lenders, or guarantors from certain regulatory provisions. The Secretary is afforded this authority under 432(a)(6) of the HEA of 1965 as amended. For example, students whose term of study was interrupted by Hurricanes Katrina or Rita and who did not receive an educational benefit for that term were relieved of any obligation to repay federal financial aid received to attend that institution for that period of time that was interrupted as specified by the Secretary.

Additionally, ED as well as other organizations, have compiled the following resources to make the laws, rules, and regulations easier to understand and more fluid:

- The Federal Student Aid Handbook is produced annually by ED to help participants in student aid better understand the procedures of originating and disbursing aid in accordance with the rules and regulations governing those programs. Offshoots of this handbook include the Application and Verification Guide and the Federal Student Aid Handbook for Foreign Schools.
- Cohort Default Rate Guide is primarily used by the student loan community to help better understand the processes associated with the application of cohort default rate regulations.
- Audit Guide for Schools is published by ED to help schools prepare for their required audits. A separate audit guide is also available for lenders.
- Common Manual: Unified Student Loan Policy is an introduction and overview of FFELP. It is designed to help train new financial aid staff and to assist experienced financial aid professionals in finding answers to questions about federal regulations and guarantor policies.

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Are there resources available to help me with all of the calculations that a financial aid professional is required to make in the administration of student aid?

ED annually publishes worksheets, schedules, and tables that can be used to help determine student loan eligibility (e.g., drug worksheet) or the amount of Title IV funds to be awarded, disbursed, refunded, or returned.

Where can I obtain copies of these resources?

The majority of these resources can be downloaded from the Information for Financial Aid Professional (IFAP) Library at www.ifap.ed.gov or by contacting MGA directly for instructions at extension 77009.

The Common Manual can be obtained by contacting the Michigan Guaranty Agency via email at help@mgaloan.com or via phone at extension 39598.

Have a question you would like to ask? Contact Justin Draeger at extension 31940 or via email at draegerj@michigan.gov to submit your question or to suggest a topic you would like to see discussed in a subsequent issue of *Educational Loan Notes*.